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Jeffrey M. Nelson
Chief Legal Officer

October 30, 2018

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

RE: Application of Duke Energy Progress, LLC for Approval of the Transfer and Sale
 of Property in Semora, North Carolina

Docket No. 2018-323-E

Dear Ms. Boyd:

By this letter, the South Carolina Office of Regulatory Staff ("ORS") hereby notifies the Public Service Commission of South Carolina ("Commission") that ORS has reviewed and discussed with Duke Energy Progress, LLC ("DEP" or "Company") personnel the Company's filing in the above referenced docket. Based on the review ORS does not oppose the filing submitted by the Company for the transfer and sale of property in Semora, NC ("Property") to Sunbelt Acquisitions, LLC ("Sunbelt").

South Carolina Code Ann. § 58-27-1300 requires the Company to obtain permission from the Public Service Commission of South Carolina when the Company wishes to "sell, assign, transfer, lease, consolidate, or merge..." real property with a fair market value in excess of \$1,000,000.

The Property is a tract of vacant land containing an area of approximately 390 acres of utility property and two other parcels comprising an additional 48.69 acres of non-utility

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property. The Property was originally acquired by DEP-predecessor Carolina Power & Light Company for future plant use in 1963 but has now been deemed as surplus.

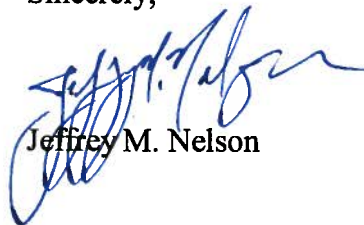
The Company had the Property appraised by Integra Realty Resources of Raleigh and determined the Fair Market Value of the Property (excluding 6.74 acres of non-utility property) to be \$3,630,000. DEP entered into an initial contract to sell the Property to another buyer for \$4,000,000 which fell through because during the buyer's due diligence period significant development challenges were identified. The significant development challenges were the fact that the Property does not have access to public water or sewer utilities, and the soil is not conducive to septic systems.

DEP remarketed the Property and the Company's agent identified several other potential buyers and received multiple offers on the Property. Ultimately, DEP accepted the highest offer for the Property and entered into a contract with Sunbelt to sell the Property for \$2,500,000.

The original cost of the Property being sold will be credited as a reduction of the amount carried upon the books of the Company under Account 101, "Electric Plant in Service." The difference between the sales price and the original cost of the Property will be applied to Account 421.10, "Gain on Disposition of Property".

If you have any questions, please do not hesitate to contact me.

Sincerely,



Jeffrey M. Nelson

cc: Joseph Melchers, Esquire (via E-mail)
All Parties of Record (via E-mail)